

GTE MECHANIZED OPERATING SUPPORT SYSTEMS AND USE BY GTE/CONTEL ENTITY

System category & name	GTE FL	GTE SO	GTE NO	GTE SW	GTE CA	GTE NW	GTE HI	Contel Convert
Order Entry:								
* SORCES	X	X	X	X		X	X	92/93
ASOS/SOLAR					X			
CMSS	4Q92	2Q93	4Q93	3Q93	4Q94	4Q94	1Q94	94/95
Billing:								
* UMS - Usage	X	X	X	X	X	X	X	92/93
* CRB - End User	X	X	X	X		X	X	92/93 (Note 1)
BMS/BPR - End User					X			(Note 1)
* TOLL	X	X	X	X	X	X	X	92/93 (Note 1)
* BVT	X	X	X	X	X	X	X	92/93
CBSS - End User	X	4Q92	3Q93	4Q93	4Q93	2Q93	4Q92	94/95
CABS - Access	X	X	X	X	X	X	X	92/93
Repair & Dispatch:								
* TAS	X	X	X	X	X	X	X	92/93
AWAS	X	X	X	X	X	X	X	92/93
Facilities assignment and records:								
* MARK	X	X	X	X	X	X	X	92
CNAS	X	X	X	X	X	X	X	92/93

* Indicates that the system has a common base with local modifications. For example, CRB actually has 14 versions in place.

Note 1: To be replaced by CBSS.

Contel integration is a two step process: conversion to existing GTE systems followed approximately two years later by conversion to newest GTE system.

SYSTEM NAMES:

SORCES: Service office Record and Computer Entry System
 ASOS: Automatic Service Order System
 SOLAR: Service Order Load and Retrieval System
 CMSS: Customer Marketing and Service System
 UMS: Universal Measured Service
 CRB: Customer Records and Billing
 BVT: Billing Voucher and Treatment
 CABS: Carrier Access Billing System
 TAS: Trouble Administration System
 AWAS: Automated Work Administration System
 MARK: Mechanized Assignment and Record Keeping
 CNAS: Circuit Network Administration System
 CBSS: Customer Billing Services System

LINES BY OLD GTE/CONTEL ENTITIES

	GTE FL	GTE SO	GTE NO	GTE SW	GTE CA	GTE NW	GTE HI	Contel
Number of lines: (000s)	1760	1102	3338	1335	3365	889	564	2589
Per cent of lines:	12	7	22	9	23	6	4	17

ATTACHMENT E

GTE RECEIPT

GTE Northwest Incorporated

P.O. Box 1003
Everett, WA 98206-1003
206 261-5321

April 27, 1992

Reply To
WA0101RA

Mr. Mike Hennigan, Carrier Analyst
Informal Complaints and Public Inquiries Branch
Enforcement Division
Common Carrier Bureau
Federal Communications Commission
Washington, D.C. 20554

RE: Voice-Tel Northwest
IC-92-04125
Notice of Informal Complaint
Dated March 23, 1992

Dear Mr. Hennigan:

On behalf of GTE Northwest Incorporated (GTE-NW), the undersigned responds to the captioned Notice of Informal Complaint concerning a letter from the law firm of Keck, Mahin & Cate on behalf of Voice-Tel Northwest.

The allegations of Voice-Tel center on one particular incident where a party named RE/MAX Realtors of Lake Oswego, Oregon chose to place its business with GTE-NW rather than with Voice-Tel. Attached is a copy of a letter from RE/MAX dated April 15, 1992 that puts the Voice-Tel complaint in perspective.

This letter terms the Voice-Tel complaint "unwarranted" and "state[s] unequivocally that the sales process, installation, and follow up by the GTE-NW Team, was professional and ethical." The letter says of GTE-NW employee Sue Carr: "Sue Carr was very professional and answered my questions thoroughly. At no time did she mention to me that Digital Sound voicemail was going to be available." Further, the letter indicates the customer is generally knowledgeable as to relevant offerings and in particular was aware of GTE-NW's offering, "Digital Sound in the C.O. [which] was no secret..." The customer "chose to look into the possibility of this service [and] requested that GTE-NW provide RE/MAX Associates with a second proposal and complete demonstration of these services." The customer had given no commitment to Voice-Tel--"no contracts signed and no letter of intent"; believed that Voice-Tel "did not offer a total solution"; and "made the decision to install Centranet with Digital Sound solely on cost and application."

Mr. Mike Hennigan

April 27, 1992

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As indicated by the RE/MAX letter, the Voice-Tel assertions of unfair practices are unfounded. Responding specifically to Voice-Tel's allegations:

1. GTE-NW's tariffs for the furnishing of CentraNet service do not represent unlawful "bundling." In terms of the call transfer feature, it is correct to say this feature may not be purchased from GTE-NW independently of CentraNet. The reason is because as a technical matter the call transfer feature is inseparable from the furnishing of CentraNet service provided by current equipment.
2. GTE-NW does not engage in unfair competitive practices. In this regard, the only specific allegation of Voice-Tel is the case of RE/MAX, where the customer's letter (attached) demonstrates there was no unfairness.
3. GTE-NW does not engage in unfair discrimination with respect to its tariffed services. GTE-NW's pricing provides no "unfair competitive advantage" for its voice message service. GTE-NW's policy is to comply with federal and state laws prohibiting unfair discrimination.
4. The pricing of GTE-NW's CentraNet service is fully justified. This fact was demonstrated when the relevant tariff filings were made before the Public Utility Commission of Oregon, which duly approved the tariff.

The only particular case cited by Voice-Tel to support its allegations is RE/MAX. The letter of RE/MAX itself discredits those assertions. We are left then with completely unsupported assertions coupled with matter that properly belongs in a petition for rulemaking, i.e., the arguments that there should be imposed on GTE-NW a COG requirement and a compulsory-agency requirement and a blanket authorization requirement. Such proposals were made in the past, were carefully considered by the Commission, and were rejected. Furnishings of Customer Premises Equipment, CC Docket No. 86-79, 2 FCC Rcd 143, 156-158 (1987), reconsideration, 3 FCC Rcd 22, 27-28 (1988).

Even more farfetched is Voice-Tel's insistence that new rules should be established to, for example, bar GTE-NW from selling voice messaging under certain circumstances. Whatever the merits of these proposals, they ask the FCC to take action in the nature of rulemaking, and are therefore not appropriate for consideration in a complaint proceeding.

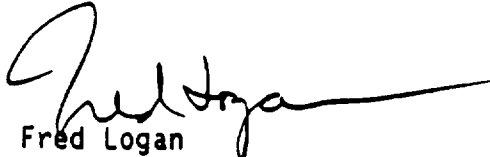
Mr. Mike Hennigan

April 27, 1992

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We trust this provides you with the information required to resolve this matter. If further questions arise, kindly contact the undersigned.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Fred Logan", with a long horizontal flourish extending to the right.

Fred Logan

Regional Director - Regulatory Affairs

FEL:neu

Attachment

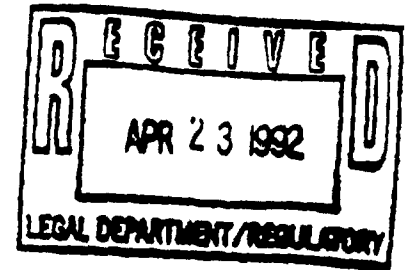
c: Voice-Tel Northwest

APR 22 1992

*Above
the
Crowd!®*

April 15, 1992

Mr. Tom Jesmer
GTE Northwest
1800 41st Street MC-2pm
Everett, Washington 98203



RE: GTE Centranet/Digital Sound vs Voice-Tel

Dear Mr. Jesmer,

On November 4, 1991 I received a voice messaging proposal from Voice-Tel presented by Mr. David Ellsworth. I would like to respond to his accusation of unreasonable sales practices by GTE Northwest.

RE/MAX Associates, Inc., through the course of about 6 months had requested proposals for a new telephone and voicemail system from several vendors. Although, Voice-Tel did not offer a total solution, in an effort to find the most cost effective solution I allowed Mr. Ellsworth to present his product.

His voicemail proposal was interesting to us and I pursued it further by investigating the Centranet services that were necessary for his voicemail to operate.

Earlier that year Mr. Dale Clark had presented a Centranet proposal from GTE and I didn't believe the Centranet information in Mr. Ellsworth's package was correct. I informed him that I would be calling Sue Carr myself to verify the information he had given me.

Sue Carr was very professional and answered my questions thoroughly. At no time did she mention to me that Digital Sound voicemail was going to be available.

My background in telecommunications includes 13 years of experience from PNB prior to deregulation, to major account sales with GTE and IBM/ROLM. I am extremely familiar with the procurement process and contract obligations. I also maintain contact and close friendships with people in the business, and typically know what new technology is hitting the market. The installation of Digital Sound in the C.O. was no secret and I chose to look into the possibility of this service. I requested that GTE provide RE/MAX Associates with a second proposal and complete demonstration of these services.



RE/MAX associates, Inc.
5335 s.w. meadows, suite 151
lake oswego, oregon 97035
phone: (503) 684-4744
an independent member broker

I feel it is unfortunate that an unwarranted complaint was filed with the FCC. There were no contracts signed and no letter of intent given to Voice-Tel. RE/MAX Associates, Inc. made the decision to install Centranet with Digital Sound solely on cost and application.

Because of my extensive training in business ethics, I can state unequivocally that the sales process, installation, and follow up by the GTE Team, was professional and ethical.

Sincerely,


Ray Hawkey
Vice President

ATTACHMENT F



1280 Queen Street
Honolulu, Hawaii 96813
Telephone (808) 527-1482
Fax (808) 527-6230

November 5, 1991

Mr. Charles Totto
Executive Director
Division of Consumer Advocacy
Department of Consumer Affairs
State of Hawaii
P.O. Box 541
1010 Richards Street
Honolulu, Hawaii 96809

Dear Mr. Totto:

As an enhanced service provider (E.S.P.) in the STE Hawaiian Telephone Company jurisdiction, C & J Telecommunications would benefit greatly from Open Network Architecture (O.N.A.) and Customer Proprietary Network Information (C.P.N.I.) safeguards.

One example is the clumsy, bundled marketing of Call Forwarding through SmarterCall/Wonderphone wherein my customers must buy three other custom calling features at a packaged price in order to obtain Call Forwarding. Call Forwarding is often a necessary feature to connect with our answering service; the other three custom calling features are often unnecessary and unwanted.

An authorized, commissionable agency relationship between C & J and Hawaiian Telephone Company would expedite and encourage use of Call Forwarding, ContraNet, additional business lines and other services necessary to the conduct of our business, and compensate C & J for its efforts in selling, educating and training its customers.

Additionally, formal protections against anti-competitive abuse of C.P.N.I. and formal restrictions against joint-marketing of voice mail services and basic dial tone services would insure the continued viability of C & J's independent voice mail service bureau and live telephone answering service.

Sincerely,



James P. Roemer
President

ATTACHMENT G

**ANALYSIS OF
NON-DISCRIMINATION
INSTALLATION & REPAIR
REQUIREMENTS**

COMMISSION OBJECTIVE: The objective of the Non-Discrimination Reporting requirements is to ensure that BOCs do not provide favored status to affiliated Enhanced Service Provider (ESP) entities with respect to installation or repair services.

COMMISSION REQUIREMENT: BOCs must provide the same installation, maintenance and repair service performance, e.g., installation intervals and repair response time, to unaffiliated ESPs as they provide to an affiliated ESP. BOCs are also required to file quarterly reports comparing the quality of installation and repair service provided to an affiliated ESP versus that provided to other ESPs. Due date performance and actual repair intervals must be reported by Basic Serving Arrangement, Basic Service Element, and Complementary Network Service.

The quality reporting requirement can be waived if a BOC can demonstrate that its practices and procedures preclude the potential for discrimination.¹

APPROPRIATENESS FOR GTE: Imposition of the Commission requirement upon GTE is unnecessary. GTE's installation and repair procedures meet Commission objectives and are not influenced by customer identity.²

Service order due dates are quoted using a mechanized system that recognizes customer wishes, the current work load, and the physical location of employees with the necessary skill sets. The system assigns standard intervals that recognize the type, quantity, and complexity of the requested service. Customer identity is not a factor. Additionally, internal performance measurements are based upon a comparison of standard due date interval commitments and actual achievement of those commitments.

¹ CC Docket 88-2, Memorandum Opinion and Order, 4 FCC 2d 1, 248-49, (1988).

² See Exhibit I for a description of the GTE Automated Work Administration System and examples of GTE installation and repair procedures.

Repair due dates are also assigned using a mechanized system that recognizes the nature of trouble and type of service, and does not consider customer identity. Maximum clearing times are dictated by customer needs and, for many services, PUC regulations. Internal performance measurements are based upon the shortest possible clearing times. Similarly, GTE performance design standards and practices preclude discrimination based upon customer identity.

The previous statements are supported by the lack of any history of discrimination. GTE is not aware of any claims of discrimination regarding installation, repair, or performance design.

GTE also offers tariffed performance guarantees for residential, business, and access service installation activities.³ These programs offer to refund installations charges if GTE does not perform as promised. There are no customer identity restrictions associated with these programs.

IN SUMMARY, GTE internal practices already satisfy the intent of the Commission's ONA rules. There is neither an internal climate within GTE that would foster abuse, nor a history of abuse. Therefore, the burden of additional reporting requirements should not be imposed upon GTE.

³

See, for example, GTOC Tariff FCC No. 1, at 27-28.

ANALYSIS OF CUSTOMER PROPRIETARY NETWORK INFORMATION REQUIREMENTS

COMMISSION OBJECTIVE: The objective of Commission restraints on BOC use of Customer Proprietary Network Information (CPNI) are to: prevent the dissemination of business customer's CPNI to BOC personnel not involved in the provision of basic network services; and prevent BOC ESP personnel from using CPNI data to market enhanced services to their competitor's customers.¹

COMMISSION REQUIREMENT: BOCs are required to:

upon request, make CPNI available to unaffiliated ESPs on the same terms and conditions as available to affiliated ESPs;

2) upon request, restrict access by affiliated ESP personnel to a business customer's CPNI;

automatically restrict access to CPNI for business customers with more than 20 lines;

3) notify multi-line business customers annually of their CPNI rights;

poll multi-line customers to determine their desire for restriction; and

define the types of information to be treated as CPNI.

APPROPRIATENESS FOR GTE: Application of the Commission's CPNI requirements to GTE is both inappropriate and unnecessary. GTE procedures satisfy the intent of the Commission's CPNI rules and GTE is implementing additional procedures to augment existing practices.

As discussed following, numerous existing GTE internal policies and procedures already prevent the inappropriate use of CPNI and accomplish the Commission's goals. GTE currently restricts access to CPNI and plans to implement a password restriction mechanism in future record

¹ CC Docket No. 85-229, Phase II, 2 FCC Rcd 3072, 3095 (1987) (subsequent citations omitted).

systems. Further, since the value of CPNI for sales targeting purposes is exaggerated, heroic efforts to govern its use must be balanced against customer inconvenience. Additionally, there is no demonstrated pattern of abuse of CPNI data by GTE for either CPE or enhanced services. Finally, the definition of CPNI in use within GTE is consistent with the BOC definitions.

1. EXISTING AND PLANNED GTE SAFEGUARDS: Since ESPs are LEC customers and may at the same time be competitors, the potential arguably exists for GTE personnel to use CPNI in an anti-competitive manner, e.g., targeting ESP clients for GTE sales efforts. GTE is committed to business ethics that do not condone this behavior. However, GTE believes that notification to ESPs of their CPNI rights is appropriate to remove any doubt as to GTE's business ethics and has begun a process to create a formal notification mechanism.²

Existing internal GTE practices restrict the use of CPNI in several ways.³

GTE treats CPNI as proprietary to GTE and to the customer and does not release CPNI to third parties without the express written consent of the customer.

GTE respects any written customer request for restriction.

GTE makes CPNI available to unaffiliated ESPs under the same terms and conditions as affiliated ESPs.

GTE does not use CPNI to generate prospect lists for telemarketing.

GTE restricts non-published numbers, unlisted numbers, and "forwarded to" numbers, and automatically excludes their use in telemarketing.

² Those rights include the abilities: to restrict their own CPNI; ensure that ESP clients realize they can request CPNI restrictions; and obtain their client's CPNI upon furnishing written authorization.

³ See Exhibit II for examples of GTE CPNI employee training and for GTE's Code of Business Ethics prohibiting, at 3, employees from divulging any information concerning customer communications or services.

GTE has an internal policy that prohibits efforts to "unhook" a customer from unaffiliated ESP services.⁴

GTE has implemented a record "flag" system as a proxy for a password restriction system. This proxy is necessary since current systems are not capable of password restriction. The "flag" provides a visible indication to GTE personnel that they are not authorized to access the CPNI information in restricted customer records. A password mechanism is planned to be incorporated into the next generation of GTE record systems.

In summary, GTE already respects the privacy rights of customers and does not use CPNI in an inappropriate manner.

2. THERE IS NO HISTORY OF ABUSE BY GTE: With respect to CPE, CPNI requirements were originally applied to the BOCs in CC Docket No. 86-79. In this proceeding, the FCC decided not to apply CPNI rules to GTE or to other independents. The Order stated "...we conclude that the Independents are sufficiently different from the BOCs with respect to the potential for anti-competitive abuse in their provision of CPE, that it would not be appropriate to impose new or modified nonstructural safeguards on them."⁵ GTE was specifically exempted from a separate subsidiary requirement: "Absent more compelling facts, we conclude that the public will be better served if the separate subsidiary requirement is removed for GTE for its provision of CPE."⁶

Time has proven the wisdom of this decision. There is no record of abuse by GTE in the CPE market and the Commission's pro-competitive goals have been satisfied. The GTE position in both the key and PABX markets has declined from its former monopoly position to between a 30

⁴ "Unhooking" means any activity by a LEC which encourages a customer or prospective customer of a non-LEC ESP to switch to the LEC's version of the same or substantially similar enhanced service at the time the ESP's customer contacts the LEC to obtain CNSs or other basic services which are necessary for operation of the non-LEC enhanced service.

See Exhibit III for the GTE Antitrust Guidelines. This contains a section that describes "unhooking" and a Certificate that all GTE employees must sign to demonstrate their understanding that GTE prohibits such activities. Exhibit III also documents ongoing employee educational efforts.

⁵ CC Docket 86-79, Report and Order, 2 FCC Rcd 143, modified, 3 FCC Rcd 22 (1987).

⁶ Docket 20828, 84 FCC 2d 50, 73 (1980) (subsequent citations omitted).

and 35% market share. With this record, it is inappropriate and unnecessary to apply BOC CPNI rules to GTE.

In CI III, the Commission declined to subject GTE to enhanced service CPNI rules. GTE began offering enhanced services in 1989. Coincident with that introduction, GTE voluntarily implemented enhanced service CPNI procedures that satisfy the underlying Commission concerns. These procedures are effective, as demonstrated by the lack of documented abuse of enhanced service CPNI by GTE personnel.

In summary, there is no record of CPNI abuse by GTE for either CPE or enhanced services.

3. PRIVACY AND PRIOR AUTHORIZATION FOR MULTILINE BUSINESS CUSTOMERS AND POLLING: One of the fundamental issues that led to the Commission's CPNI rules for the BOCs was the concern that BOC personnel not involved in the sale of basic network services would compromise the privacy of business customers if given access to their CPNI.⁷ That concern is not relevant for GTE.

GTE sales channels are organized in recognition of the nature of the markets served by GTE. The rural character of the majority of GTE serving territories cannot justify the use of sales personnel specializing in enhanced service products. GTE business sales personnel market basic network services and CPE in addition to enhanced services. GTE does not have any sales person that sells only enhanced services.

Prior to GTE offering enhanced services, business sales personnel were permitted to access CPNI. Those employees treated CPNI as proprietary to GTE and to the customer. GTE sales personnel continue to treat CPNI as proprietary to GTE and the customer.⁸

Because individual GTE sales personnel now sell basic services, CPE and enhanced services, access to a business customer's CPNI is necessary to enable them to properly service the account. Consequently, restrictions on the use of CPNI would create a severe impediment to responding to routine customer questions. The main use of CPNI is to establish a record of the products and services used by a customer as an aid in resolving problems. GTE personnel routinely use CPNI to answer customer questions and resolve problems totally unrelated to the sale of enhanced services. For example, billing and telecommunications inventory questions are routinely handled through access to CPNI. Automatic restriction of business customer CPNI will unnecessarily complicate the interface between GTE and the customer without any resulting benefit.

⁷ CC Docket No. 85-229, Phase II, 2 FCC Rcd 3072, 3095 (1987) (subsequent citations omitted).

⁸ See Exhibit II for examples of training materials used by GTE to instruct business sales personnel.

In summary, GTE sales efforts are not structured in the manner that caused Commission concern and GTE's use of CPNI does not violate the privacy of business customers. Therefore, the requirement for automatic restriction of CPNI for business customers with more than 20 lines is unnecessary. Such a restriction would provide no benefit to customers, but rather would create considerable customer inconvenience with little if any offsetting public benefit. Similarly, since GTE has and continues to handle CPNI in a manner that has not and does not violate the privacy of business customers, polling of multiline business customers is also unnecessary.

4. THE USEFULNESS OF CPNI IN SALES TARGETING EFFORTS IS EXAGGERATED:

GTE access to customer CPNI provides no unique competitive advantage. As discussed following, there are many alternatives to the CPNI available to LECs that are of equal or greater value.

CPNI provides, at best, only a small fraction of the information associated with a business customer's use of telecommunications services. There is a tremendous amount of other information available from a variety of sources. Much of it is far more useful than CPNI for targeting sales efforts. For example, customer information regarding products and applications are available in voice, data or computer equipment vendors (including IXCs) records. Services provided by value added providers, satellite services, and/or CAPs also contribute to the total picture of customer needs. This information is readily available to GTE's competitors in their own records, since many alternative network providers and IXCs are also ESPs, thereby providing them with a competitive advantage not available to GTE.⁹

Information about the customer's demographics, business needs and existing telecommunications applications is far more useful for marketing purposes than CPNI. GTE and other vendors regularly use such information for sales targeting purposes. GTE obtains this information from outside sources, e.g., Donnelly, Polk and NDL. This data is commonly available to other parties or directly from the customer during the interview and fact-finding portion of the sales process. Information from the customer must be obtained by GTE in the same manner as its competitors. Thus, either the customer willingly provides data to competing vendors in order to solicit comparable bids aimed at meeting communications needs, or vendors must glean data from a number of sources. The CPNI data available to GTE is but one small and incomplete portion of the total information necessary to service the customer.

⁹ It also must be noted that CPE vendors and network providers compete with GTE enhanced service offerings without a reciprocal CPNI requirement. Competitors do not have to bear CPNI compliance costs, nor is their interaction with customers complicated by regulatory constraints.

It is also a simple fact that business customers have many alternatives to GTE's enhanced services and that they are normally very aware of available options. Purchase decisions are based on the value the product or service provides, e.g., the package of features or capabilities, quality, vendor reputation, etc. versus those of the alternative. GTE access to CPNI is meaningless in the context of the customer's purchase decision since the customer can authorize any prospective vendor to access the same CPNI data. Thus, GTE has no advantage over competitors.

In summary, there are a number of non-CPNI alternative sources of customer information that are of greater or equal value than CPNI for sales targeting purposes.

5. GTE'S DEFINITION OF CPNI IS CONSISTENT WITH THE BOC DEFINITIONS:

GTE defines CPNI to be:

"Individual customer data accumulated by telephone companies in the course of furnishing regulated common-carrier services to the customers. This type of information would include: type and quantity of regulated services purchased, repair information, traffic studies, usage data, customer calling patterns and station message detail recording (SMDR) information. Non-listed, non-published, and forwarded-to numbers are automatically restricted. CPNI does not include the information found in telephone directories (i.e. customer name, address, and telephone number), unregulated customer services and equipment, and credit information."¹⁰

Thus, GTE's definition of CPNI is consistent with BOC definitions.

IN SUMMARY, GTE already voluntarily fulfills the essence of Commission CPNI rules through existing internal policies and procedures and is in process of satisfying the Commission's ESP notification requirement. It is not appropriate to impose further CPNI burdens because of the lack of customer benefit, especially given the lack of abuse for either CPE or enhanced services, and the exaggerated value of CPNI for sales targeting activities.

¹⁰

Reply Testimony of Michael Drew; Before the Public Utility Commission of Oregon; Docket Nos. UT 102 & UT 110; filed March 27, 1992.

ANALYSIS OF NETWORK INFORMATION DISCLOSURE REQUIREMENTS

COMMISSION OBJECTIVE: The objective of the Network Information Disclosure rule is to prevent a BOC either from making regulated network technology "make-buy" decisions or disclosing technical information about impending upgrades in a manner that would yield an advantage for an affiliated ESP.

COMMISSION REQUIREMENT: BOCs must disclose information about network changes or new network services affecting the interconnection of enhanced services with the network at two specific points in time. The first is the "make-buy" point, the time when a BOC decides to make or to procure from an unaffiliated entity, a network infrastructure product whose design affects or relies upon the network interface. Secondly, BOCs must publicly release all technical information prior to the introduction of a new device or network change that affects enhanced service interconnection with the network.

These requirements guard against BOC enhanced service entities having a head start in bringing products to market and from selecting among network upgrade options in order to benefit affiliated ESP product offerings.

APPROPRIATENESS FOR GTE: GTE supports the Commission's disclosure objectives and believes that customers, including ESPs, must be aware of the introduction of any new functionality into the regulated network that may impact those customers. But, application of the Commission's requirements to GTE is inappropriate and unnecessary since GTE does not engage in the "make-buy" decision and since GTE already informs all customers of the introduction of new network capability.

1. GTE DOES NOT CREATE SERVICES: With rare exceptions, the network services GTE provides mirror BOC services. That is, the BOCs have completed the "make-buy" decision and have created, or caused vendors to create, the necessary functionality and have disclosed network functionality information to ESPs... GTE and other independent telephone companies seldom create and develop functionality that offers new and fundamental network capabilities. Thus, it is not appropriate to apply that portion of the Commission's requirements to GTE since it has been met by the entity that controls the process, the BOC.

This situation occurs because the BOCs lead the industry in new technology development, new service creation and tariffing, and network architecture design due to their unified efforts under the leadership of Bellcore. Further, their combined buying power causes vendors to be far more receptive and responsive to their desires. For these reasons, BOCs set the precedent for the rest of the industry and force a follower role onto GTE and other independent telephone companies.

It also must be understood that even if GTE were to propose a new functionality, GTE's relative lack of buying power with switch vendors may prevent GTE from actually providing the resulting service unless BOCs also order the same functionality.

In summary, GTE does not make the "make-buy" decision.

2. GTE COMPLIES WITH EXISTING RULES THAT CONTAIN THE SAME REQUIREMENT:

All LECs must comply with two existing rules, i.e., the "all carrier rule" and Part 68.110. Both of these rules satisfy the intent of the Commission's ONA Network Disclosure requirements with respect to the introduction of new network functionality. GTE has incorporated both of these requirements into GTOC Tariff FCC No. 1.

The "all carrier rule" requires all LECs to notify customers of network changes.

"Should a major change occur, the Telephone Company shall notify the customer at least one year in advance. A major change is described as any change in telephone plant which will affect the technical parameters of the interface (e.g., level, impedance, signaling, interface, bandwidth, two-wire, four-wire, etc.).

Should a minor change occur, the Telephone Company shall notify the customer at least thirty days in advance. A minor change is described as any change in telephone plant which will not affect the technical parameters of the interface (e.g., level, impedance, signaling, interface, bandwidth, two-wire, four-wire, etc.)."²

Part 68.110 requires all LECs to provide relevant information to all customers regarding network changes that would impact the function of CPE. If changes "...can be reasonably expected to render any customer's terminal equipment incompatible with telephone company communications facilities, or require modification or alteration of such terminal equipment, or otherwise materially affect its use or performance,..."

¹ See Exhibit IV.

² See Computer and Business Equipment Manufacturers Association, 93 FCC 2d 1226 (1983).

then "...the customer shall be given adequate notice in writing, to allow the customer an opportunity to maintain uninterrupted service."³

In summary, any new "ONA rule" mandate that GTE provide advance notice of network changes affecting ESPs is redundant with existing Commission requirements and cannot be reconciled with either the Regulatory Flexibility Act or the Paperwork Reduction Act.

3. GTE ACTIVELY SEEKS TO SELL NETWORK FUNCTIONALITY TO ESPs: In addition to formal notification procedures that comply with the "all carrier rule" and Part 68.110, GTE has established a communication mechanism specifically for ESPs. A separate notification channel has been created to service ESPs as part of GTE's Intermediary Sales organization.⁴

GTE views ESPs as important new customers that hold the promise of generating additional network usage. GTE desires to meet the needs of these customers and recognizes that sales efforts cannot succeed unless the customer is fully informed of existing and planned products and services. GTE will use direct mailings and news releases to inform ESP customers of new choices in network functionality. This information will be provided in the format developed by the IILC and/or via a medium chosen by the ESP.

In summary, GTE actively seeks to inform ESPs about the introduction of new network functionality.

IN SUMMARY, GTE does not participate in the initial crucial "make-buy" decision, and GTE already operates in a manner that satisfies the Commission's network disclosure goals. Application of the Network Information Disclosure Rule would only add unnecessary cost and complexity to existing operations without offsetting public benefits. In addition, GTE is self motivated to disclose network information because it realizes that ESPs are important new customers who are critical to generating additional network usage.

³ CFR Part 68.110(b).

⁴ See Exhibit V for examples of communications provided to ESPs.

**ANALYSIS OF
OPERATIONAL
SUPPORT SYSTEMS
(OSS) ACCESS
REQUIREMENTS**

COMMISSION OBJECTIVE: The objective of providing ESP access to BOC OSS systems is to provide ESPs with comparable access to status information of installation and repair activities.

COMMISSION REQUIREMENT: BOCs are required to implement access capability to permit ESP connection to BOC OSS systems.

APPROPRIATENESS FOR GTE: GTE desires to meet market needs for OSS access in order to meet customer needs and to generate additional revenues. But, application of Commission OSS requirements to GTE is not appropriate until such time as a reasonable amount of demand can be demonstrated that would justify the necessary modifications.

It is GTE's observation from participation in Information Industry Liaison Committee (IILC) proceedings that ESPs are not willing to or capable of defining their OSS access needs and requirements with any specificity. Until ESP needs are known it is simply not prudent to devote resources to provide OSS access absent adequate demand and defined requirements.

However, GTE is currently developing an OSS access system for access customers that will be useful to ESPs that choose to buy from access tariffs. In this case, ESPs will benefit from the interest demonstrated by IXCs for obtaining such access.

In the case of ESPs that buy from local tariffs, the situation is much more complicated. GTE does not have a single mechanized system in place for each of the ordering, billing, and repair functions for which nationwide access might be requested. There are currently a number of OSS systems¹ in place throughout the former seven GTE operating units²

¹ See Exhibit VI. GTE's system standardization efforts are not yet complete. GTE California and the former Contel territories are notable exceptions to full implementation of standardized systems. Together, they account for 40% of GTE

and former Contel operating units. This multitude of systems presents a severe impediment to providing the type of access ESPs might desire with any pretense of consistency and security.³ Although GTE has embarked upon an aggressive standardization effort, the realization of totally uniform systems is several years and many dollars in the future. In the interim, providing ESP access to current operating systems in selected geographic areas requires some assurance that ESP needs are reasonably well understood and that some threshold level of demand will be present. Absent sufficient demand, the costs of system modifications would exceed the price customers could be expected to pay. Prudence, therefore, dictates that GTE explore the selective modification of existing systems only when economically viable and postpone any attempt at nationwide OSS access until standardized systems are available and market conditions warrant.

IN SUMMARY, application of BOC OSS access requirements to GTE is both unnecessary and premature. GTE is voluntarily progressing toward OSS access for access tariff customers. Upon implementation, this will meet Commission expectations for access tariff customers. GTE is willing to provide OSS access for non-access tariff customers when demand and other factors exist that will justify GTE's introduction of such services.

lines.

² GTE began an effort in early 1989 to consolidate these seven largely autonomous units into an organization with a central headquarters unit and four Area units with only day-to-day operational responsibilities.

³ In contrast, BOCs typically have one standard system.

**ANALYSIS OF
ONA DEPLOYMENT
VELOCITY AND
PROGRESS REPORTING
REQUIREMENTS**

COMMISSION OBJECTIVE: The Commission desires to monitor the progress of deployment of new services and ensure that ESPs are informed of the availability of those services by location.

COMMISSION REQUIREMENT: BOCs are required to report ONA network deployment velocity and progress. A three year deployment schedule containing the status for each unbundled network functionality for each switching entity in the BOC network must be provided.

APPROPRIATENESS FOR GTE: The requirement for deployment status reports to the Commission is inappropriate for GTE. As discussed in the Network Disclosure section, GTE not only complies with other existing Commission rules that inform customers about the introduction of new services into the network, but has also established a separate ESP communication mechanism. Deployment information is thereby provided to those that need it most, ESP customers.

The effort required to create and maintain a separate status reporting mechanism solely for Commission use is not justified for GTE. Setting aside the doubtful usefulness of a three year forecast with a questionable degree of attainable accuracy, the unique position of GTE infers an administrative burden far exceeding that of the BOCs.

GTE is an amalgam of widely scattered, smaller service territories serving predominately rural areas. The demand for enhanced services in many of these areas will be small or nonexistent. The near-term introduction of enhanced services in those locations is unlikely since the costs of introduction cannot be justified by the market. The three year deployment schedule for each switching entity is a particularly burdensome requirement for GTE due to the number of switching entities